GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2998
ANSWERED ON:17.12.2015
Challenges before Discoms
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Will the Minister of POWER be pleased to state:

(a) the details of the challenges/problems faced by the discoms in the distribution of electricity in the country;

(b) whether any monitoring of these challenges/problems of discoms is carried out;

(c) if so, the details thereof;

(d) the details of the quantity of losses incurred by various discoms in the country; and

(e) the steps taken by the Government to improve the fiscal health of the discoms in various States?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) to (c) : Main challenges reported by DISCOMs are poor financial health, high AT&C losses, high gap between Average Cost of Supply (ACS) and Average Revenue Realization (ARR) and high power procurement cost.

As per the Electricity Act, 2003, appropriate Electricity Regulatory Commissions have been entrusted with the responsibility of overseeing the performance of the distribution licensees. Utilities have to comply with the standards of performance as applicable to them.

(d) & (e) : Power Finance Corporation (PFC) publishes a Report on the Performance of State Power Utilities on an annual basis. As per the report, the aggregate losses incurred by utilities selling directly to consumers for the year 2013-14 is Rs.63,765 crore on Profit/Loss after tax on accrual basis.

Government of India has launched Ujwal Discom Assurance Yojana (UDAY), for the financial and operational turnaround of Power Distribution Companies (DISCOMS), on 20th November, 2015. It envisages to reduce interest burden, cost of power and AT&C losses.

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